



State of Wisconsin
Jim Doyle, Governor

Department of Agriculture, Trade and Consumer Protection
Rod Nilsestuen, Secretary

April 5, 2004

Mr. Lee Cullen
Chairman
Cullen, Weston, Pine and Bach LLP
122 W. Washington St., Suite 900
Madison, WI 53708

Dear Lee,

The Governor's Energy Task Force has been given a very important role in making recommendations about the future direction of energy efficiency and renewable energy policies and programs, including the Focus on Energy Program. The task force has an opportunity to evaluate, which segments of the economy are best utilized and which customer groups should be targeted to satisfy energy efficiency and renewable goals for Wisconsin.

My purpose in writing you is to remind the task force of the importance of agriculture's role in meeting future energy efficiency and renewable energy needs and to urge you to consider agriculture as an important part of your task force goals and recommendations.

Agriculture is a \$40 billion industry in Wisconsin with diverse size and scope. As the Task Force reviews the administrative management of public benefits money it is important to look again at the intent of Act 9. That act gave the Department of Administration clear goals for the use of public benefits money. The act specifically stated that Public Benefits funds would give priority to proposals directed towards the sectors of energy conservation or efficiency that are least competitive. It also stated that those funds would be used to promote environmental protection, electrical system reliability, and to foster rural economic growth.

Agriculture is an energy intensive industry and is increasingly adopting technologies for producing renewable energy. Its renewable energy potential in Wisconsin is bright as our economy shifts from petroleum to bio-based. Public benefits funded projects, have shown that emerging sectors of energy production from agriculture are needed and feasible. Ethanol production, manure digesters, and wind, combined with other bio-based efforts such as bio-diesel and bio-mass are examples that with additional research, development and commercial support they can become important sources of energy in the state's energy portfolio.

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In the first planning for the Focus on Energy program, significant efforts were made to ensure that agriculture was incorporated throughout the program portfolio. It appears with good results. In a quote from Focus on Energy Benefits Evaluation of Economic Policy Analysis Final Report dated March 10th 2004, "Non-urban counties, while lagging in participation, had greater per participant energy savings, which allowed them to capture a greater proportion of the energy bill savings compared to their proportion of participants.

Within the agriculture and food sector money retained through energy savings converts to capital needed for modernization, or to make facility improvements for expansion. Modernization and expansion of especially the dairy industry is a high priority in the Governor's "Grow Wisconsin" plan.

I encourage the Task Force to look closely at agriculture as both a significant resource and an opportunity for helping Wisconsin meet it's future energy needs. Please contact me if you wish to discuss this matter future.

Sincerely,

A handwritten signature in black ink, appearing to read "Rod Nilsestuen", with a long horizontal flourish extending to the right.

Rod Nilsestuen
Secretary